

MEETING OF THE CALIFORNIA STATE BOARD OF FOOD AND AGRICULTURE

(ALL MEETINGS OPEN TO THE GENERAL PUBLIC)

Location: Del Mar Fair Grounds & Expo Center
2260 Jimmy Durante Blvd.
Del Mar, CA 92014

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MEETING MINUTES FOR APRIL 26, 2006

Item
No.

(1) CALL TO ORDER

- (a) The meeting was called to order Wednesday, April 26, 2006, at approximately 9:00 a.m. Al Montna, President of the State Board of Food and Agriculture presiding.
- (b) Welcoming remarks provided by Al Montna.
- (c) Pledge of Allegiance.

(2) ROLL CALL

Roll call taken by Helen Lopez, Executive Director. A quorum was present.

Present:

Drue Brown	Ashley Boren	Luawanna Hallstrom
Charlie Hoppin	Marvin Meyers	Niaz Mohamed
William Moncovich	Al Montna	Adan Ortega
Craig McNamara		

Absent:

Reg Gomes	Ann Bacchetti Silva
Karen Ross	Charlie Crabb

(3) APPROVAL OF MINUTES – March 29, 2006

MOTION: Board Member Drue Brown moved to approve the minutes of the February meeting. The motion was seconded by Board Member Adan Ortega and a unanimous vote carried the motion.

(4) OPENING REMARKS AND INTRODUCTION

Board President Al Montna welcomed everyone and thanked Board Member Luawanna Hallstrom for her leadership in the organization of the meeting; hosting the tours to the Tom Bradley International Terminal, Medfly Release Facility, Oceanside Produce, and the San Ysidro Border Station; and recognized the group of speakers who are leading authorities on the dynamic issue of immigration. President Montna called for introductions from the Board members and public in attendance.

(5) DEPARTMENTAL UPDATES

There were no departmental updates brought before the Board.

(6) OTHER BUSINESS

No other business at this time.

(7) RESOLUTIONS

There are two resolutions before the Board for approval. The water resolution was modified with the following language as suggested by the committee (Adan Ortega, Marvin Meyers, and Charlie Hoppin):

This water resolution is based on the Governor's Infrastructure. An addition to the (as found on page 2, last paragraph, bullet 1) resolution will state: "***The Secretary of Agriculture shall continue to be at the table as these policies are developed.***"

MOTION: Board Member Adan Ortega moved to include: ***Where as the Dept of Food & Agriculture will serve as the signatory, the Secretary of Agriculture shall continue to be at the table as these policies are developed;*** the motion was seconded by Board Member Marvin Meyers and a unanimous vote carried the motion.

The second addition (page three, bullet four) addresses global warming and the need of surface storage to address the consequences associated with global warming. Per Marvin Meyers' recommendation, the Board agreed to include: "***Federal and State funding for expansion of existing storage facilities, such as Sites and Temperance Flat Reservoirs, to better deal with flood and drought management.***"

MOTION: Board Member Adan Ortega moved to include the above comments into the resolution. The motion was seconded by Board Member Marvin Meyers and a unanimous vote carried the motion.

President Montna reported the Commodity Specific Assessments Hearing was held on commodity group assessment funding (through Boards, Commissions, Promotions, etc.) for legislative discussion of using these funds on Ag specific issues, which the Board disagrees with. The Commodity Specific Resolution states this disagreement.

MOTION: Board Member Niaz Mohamed moved to approve the resolution as written. The motion was seconded by Board Member Charlie Hoppin and a unanimous vote carried the motion.

The Air Quality Resolution added: “Where as air, water, land, food and fiber are specific resources of the State that must be improved to foster human health and economic vitality through reliability of the natural system,” as suggested by Board Member Adan Ortega.

MOTION: Board Member Drue Brown moved to approve the above-mentioned addition and the resolution. The motion was seconded by Board Member Ashley Boren and a unanimous vote carried the motion.

All final resolutions, as passed by the Board since last March, are to be put in a packet and sent to all board members.

(8) **IMMIGRATION REFORM, FARM WORKER HOUSING, AND ITS EFFECT ON LABOR**

Perspective on Labor Force

President Montna introduced Michael Prosio, Assistant Secretary, of the CA Labor & Workforce Development Agency representing Secretary Bradshaw.

Mr. Prosio thanked the Board on behalf of Secretary Bradshaw and for the timeliness of this discussion to reach long-term solutions to the issue of immigration. The Labor Agency encompasses the Department of Industrial Relations, responsible for minimum wage, overtime, workers compensation, and CalOSHA issues, as well as, the Employment Development Department, responsible for job training, unemployment insurance and disability insurance issues. The labor shortage facing the agricultural community remains a concern for current and subsequent years. The reason for the labor shortage results from changes in demographics, changes in industries and the types of businesses that drive the workforce, and changes in technology. In this broad spectrum there is a great deal of competition in the ever growing need for entry level, low and mid skilled workers that directly impacts agriculture and this is also compounded by foreign competition. The average wage for agricultural workers is approximately \$9 per hour, a competitive wage despite any misconceptions. The long-term strategy for agriculture will be to create a career ladder for agricultural workers and changing the perception of agriculture to that of a vocation. Working with growers to move workers from various fields and various occupations will create full time employment of experienced and trained workers that seasonal employment doesn’t afford. Maintaining high labor standards for workers will enable California to remain competitive.

Other trends in Sacramento that will impact agricultural labor in the coming years are:

- Reduction in Workers Compensation premium rates, a result of SB 899 reforms passed by the Governor that have significantly dropped charged rates to employers by over 40 percent. The advantage of these reforms benefit employers and employees because when worker compensation fees are reduced jobs are created.
- The Governor has proposed a \$1 increase in minimum wage phased in over the next two years. The debate is whether or not to index minimum wage annually to the consumer price index. The Labor Agency opposes this proposal since the California Price Index is based solely on the rate of inflation in Los Angeles, San Francisco and some areas of San Diego. However, the highest rates of unemployment and low

wages tend to be in the Central Valley, Imperial Valley, and Northern California, basically, where agriculture is centered. The Labor Agency considers this bad policy since it does not address the entire state, the diverse economic regions, and the impacts to these regions.

- Each year, there is legislation to change the way farm labor contracts operate, putting requirements on farm labor contracts and on the growers that use them. Worth noting this year, is the proposal to require a farm labor contractor to list on worker paychecks, all growers contracted with. In addition, is the proposal to raise fees on farm labor contracts in order to better fund farm worker repeal accounts. California employment laws necessitate growers and other employees to sub or contract work out. The farm labor contract relationship in agriculture could help change perception of agriculture to a vocation by allowing workers to move from grower to grower, crop to crop, and better create a full time environment. Legislation passed and signed in 2003 expanded joint liability to growers and others that enter into contracting relationships. It is important for agriculture to look closely at contracts and protect itself while competing in the new market place.

Board Member Luawanna Hallstrom commented that traditionally agriculture has not had the ability to pass on labor costs since it does not regulate the market, regulate buying, and product is perishable. So, agriculture continues to look to increased technology and mechanization as much as possible. How is the labor agency addressing this as it pertains to agriculture?

Michael Prosio responded by stating that in the minimum wage debate, elected officials and policy makers need to recognize that agriculture is paying well above the current rate. By examining the base rate for minimum wage we can use state resources, training funds, and development funds to improve technology. Also, using Work Force Investment Act dollars will enable growers to get more from existing productivity.

Board Member Adan Ortega questioned whether unemployment benefits are too attractive and if by reducing unemployment benefits would provide the resources needed to cover health care coverage for low wage earners.

Michael Prosio responded by indicating that reducing unemployment benefits would never be on the table for consideration. Unemployment benefits were increased in 2001, a tiered increase over a few years. There is no answer regarding unemployment benefits being too attractive and whether this discourages low wage earners to re-enter the work force and participate. Policy makers need to ask the question, "Do we have enough workers in California to cover the labor issues?" And then step up and address these issues.

Demographics and its effects on Labor

President Montna introduced Dr. James Holt, James S. Holt & Company LLC

Dr. Holt, a leading expert on economic growth and immigration, focused his presentation on two parts: The need to broadly understand the role that immigration has played, and plays in the U.S. economy, labor force, and economic development; and, the role of immigration policy for agriculture.

California has a large stake in the debate on immigration policy since California farmers pay one-quarter of the nation's agricultural payroll. The state also has one of the largest foreign-

born populations, and is home to the largest number of aliens present in the United States illegally.

Immigration is important to sustaining U.S. economic growth today since the birth rate of native-born Americans is declining. U.S. agricultural productivity has seen phenomenal improvements enabling a larger proportion of the labor force to engage in production of other goods and services rather than food and fiber. Currently, less than 2 percent of the labor force is engaged in agriculture, long passing the point of producing enough native born and legally admitted aliens to fill all the jobs being created in the U.S.

The reality is that the U.S. is dependent on illegal immigration for economic growth and to sustain current levels of economic activity is to increase immigration of more alien workers.

It is suggested that agricultural employers should be left to compete in the labor market with non-agricultural employers by raising wages and benefits. Hired labor constitutes approximately 35 percent of total production costs of labor-intensive agricultural commodities and 1 in 8 dollars of production costs for agricultural commodities. Substantial increases in wage and/or benefit costs will have a substantial impact on grower's competing with foreign producers.

With respect to agriculture, the public policy options are not between greater and less economic benefits for domestic farm workers largely determined by the global market place. U.S. agriculture public policy options are: (1) more alien workers and a greater market share for domestic producers, or (2) fewer alien workers and a smaller market for domestic producers. In either case, the level of economic returns to farm workers will be approximately the same, namely those economic returns that are sustainable in the current competitive global marketplace.

The current national debate will be making decisions about the level of U.S. economic activity and growth, and about agricultural self-sufficiency, not U.S. workers' wages.

Board Member Drue Brown commented that in the current debate there doesn't seem to be any forecasting as it relates to agriculture. In this respect, leaders in the agricultural industry should be engaged in that condition of policy making in terms of forecasting. Has there been discussions regarding forecasting?

Dr. Holt responded that we are where we are due to an absence of foresight or simply unwillingness to confront reality. This is an issue that has been developing for decades. We knew twenty years ago the number of native-born workers entering the work force this year because we knew what the birthrate was twenty years ago. Immigration policy has always been a difficult political process that seems to have to reach a crisis before public policy makers take action. A second comment was in regard to the kind of dialog that has been debated in the public policy arena is that immigration is not a silver bullet issue, the real issue is about what our economic growth rate is going to be.

Board Member Marvin Meyer asked if there are accurate numbers of how many illegal workers are in the service and construction industries.

Dr. Holt indicated there is not. There is a pretty accurate number of how many illegal workers there are generally as outlined in his report.

Board Member Luawanna Hallstrom stated that industry leaders need to get the issue out there and educate the public policy makers. And although our U.S. leaders have embraced the issue, it has not been taken as a priority. We need to make the policy leaders responsible for their inactions.

Farm Worker Housing Architecture

President Al Montna introduced Byran Bell, Design Corps

Bryan Bell described one program that Design Corps has been re-finining for the past seventeen years.

The Design Corp program uses federal funding of \$245 million in California for affordable housing, and in addition, there are direct appropriations to counties. Design Corps is a non-profit organization that collects this funding and requires a match from farmers for construction costs. For example, the farmer puts up 30 percent and this is matched by 70 percent of federal funds. There is a twenty year compliance period that requires only low income workers to live in the housing, there can only be a 30 percent charge to their income, and provide maintenance to the building over the twenty years. The two things in addition to the construction cost match is the land and the maintenance. Farmers are encouraged to use this as accessory use agriculture, which means you can build it by right. This is a very simple program as far as yearly paperwork, which basically includes a statement of who lived there and how much was paid to them. Design Corps fees are paid through the grant.

Mr. Bell provided the Board with pictures of a few completed projects.

Difficulties in Building Housing

President Al Montna introduced Tom Maddox of Lowe's Companies, Inc.

Mr. Maddox reported on the difficulties that the city of Carlsbad, CA has had in providing farm worker housing. In February of 2003 the Carlsbad City Council approved a work plan that authorized city staff to identify a possible site and develop a detailed proposal for a shelter to house 150 farm workers. Three years later, not a single shelter has been built. The difficulties have consisted of four key areas:

- (1) The nature of farming in Carlsbad
 - a. City believes virtually all agriculture will be gone in 5 to 7 years.
 - b. Focus is on creating temporary housing.
- (2) Site selection and neighborhood opposition
 - a. Majority of farm land is not privately owned
 - b. Opposition is well organized since the perception is that migrant workers are troublesome and dangerous
 - c. Current zoning code is not permissive of farm worker housing
- (3) Economics and Funding
 - a. Sources of funding permanent farm worker housing is scarce
 - b. Sources of funding for temporary housing is non-existent
 - c. Funding grants are inadequate without subsidized funding from the community.
- (4) Organizational Issues
 - a. Farm housing coordinating committee members dedicate their time on an volunteer basis and fundraising is new to many of them
 - b. State wide success stories are few and far between

- c. There is a lack of federal appropriations that could unite growers, farm worker advocates, rural housing developers, and other community stakeholders as an effective political force.

In conclusion, even though farm worker housing for the city of Carlsbad has been a difficult road, the city's farm worker advocates will move forward as a unified front to push for more state wide success stories.

Success in Building Houses and County and Local Government Perspective

President Al Montna introduced Ellen Brokaw, Brokaw Nursery and Chair of the Ag Futures Alliance Farm Worker Housing Committee

Ms. Brokaw began by setting the scene: Ventura County consists of 10 cities, 100,000 urbanized acres, and 100,000 irrigated agricultural acres with a crop value of 1.4 billion dollars. Land use planning has kept cities within boundaries by (1) Guidelines for Orderly Development (GOD) instituted by the Board of Supervisors, and (2) Save Our Agricultural Resources (SOAR) recently passed by voters to prevent ag and open space land from being converted to urban use unless approved by the electorate. The results have been that farmers have to keep farming and exercise flexibility and imagination to do so; and, cities have to find ways to provide housing within their boundaries by building up, infill, and reuse increased density, etc.

After 20 years and widespread recognition of the need to house farm workers, 200 units are finished or are in process in four cities, and 92 units are on a large farm.

The elements of success in Ventura County are the result of:

- Board of Supervisors commitment to agriculture
- SOAR overwhelmingly approved by voters
- Experienced affordable housing non-profits in the area
- Community education
- Volunteer task force to implement program

All of this is just a drop in the bucket and is over shadowed by the challenges of meeting the needs of thousands of farm workers, the city's reluctance, and providing housing for unaccompanied workers.

The next steps in the Task Force Strategic Plan include continuing efforts to educate and enlist city leaders, engaging the ag community in providing housing for unaccompanied workers, and a new program to increase rehabilitation of existing housing.

Orven Zaragoza, Senior Planner for Lightfoot Planning provided the Board with an overview of a housing project in San Diego County completed back in the late 80's. From this, a guideline has been developed specifically to address farm worker housing. This guideline includes planning, public works, and building to understand how farm worker housing really works. The key is to educate civic leaders in all state jurisdictions.

It was noted that Senator Arambula has three bills that passed committee that will allow a substantial amount of state grant money to fund and assist in the processing of getting through the local zoning ordinances and also the development of dwellings.

Board Member Luawanna Hallstrom commented on another bill (authored by Assembly member Pedro Nava) in the assembly that provides for temporary housing, but the downside of the bill is that it requires the housing to be removed at the end of the season; it is questionable how feasible this would be.

Jasper Hempel of Western Growers has agreed to provide the Board with the Pedro Nava bill (AB2763) allowing mobile homes to be used as temporary housing with the idea that they have to be moved after the season.

Senator Ducheny's bill SB 1802 expands farm worker housing on farms without going through city and county codes. Jonathan Hardy indicated the bill had passed the Senate Transportation and Housing Committee on April 18, and will be heard before the Senate Appropriation Committee today, April 26.

Immigration

President Montna introduces Craig Regulbrugge, Senior Director of Governmental Relations, American Nursery & Landscape Association; and, Giev Kashkooli, Political/Legislative Director, United Farm Workers

Mr. Regulbrugge is one of three co-chairs of the Agriculture Coalition for Immigration Reform, which is a single coalition formed to work on passing realistic immigration reforms for agriculture. Board Member Luawanna Hallstrom is also a co-chair along with John Young. This coalition was formed in 2001 to drive this agenda forward and it represents all phases of labor-intensive agriculture nationwide. In California there are many organizations working with this coalition and its efforts.

Roughly 70 percent of ag labor force is lacking status. This is a current guest worker program known as H2A, which only provides 2 percent of the labor force needed currently.

What is needed from an agricultural employers perspective?

- 1) A future workable temporary worker program, such as a reformed H2A program, that is streamlined and efficient to use, affordable, and offers a fair balance of protections for employers and rights for workers
- 2) A workable transition to greater reliance on a guest worker program:
 - a. A workforce in place that is trained and experienced that needs to be retained
 - b. An opportunity to build capacity at the border for wider use of guest workers

There is an Ag Jobs Bill, which is the Agricultural Job Opportunity, Benefits, and Security Act. Ag jobs contain two components:

It reforms H2A to the future and it streamlines the application process making the program more efficient and usable and raises wages based on market base. It provides for a wage study to better calculate appropriate wages. It provides a balanced approach to enforcement by protecting employers from frivolous litigation while also giving workers a fair bundle of rights to avoid exploitation.

It provides for earned legalization. This concept first emerged in the agricultural industry as a negotiated approach for retaining trained and trusted employees and giving them a chance at a better future. Those who meet the required experience necessary to qualify will be given a one-time opportunity to get on to a path whereby through future work and lawful behavior, eventually earn the right to apply for legal permanent residency. This is not

considered amnesty, this is a highly conditioned approach to the transition needed to retain ag jobs.

Back in December, the House of Representatives passed the most anti-employer piece of legislation that we have seen in several decades. It's flawed both for what it does (the burdens on farmers & employers, fines, penalties, etc.) and for what it doesn't do. It doesn't give agriculture a way to ensure access to a legal workforce. The Senate is reviewing bill SB2611 and is being referred to as the "Specter Table Martinez Compromise." The good news is that the Ag Jobs piece was offered in the judiciary committee by Senator Feinstein who is viewed as a conservative on this issue. Based on Senator Feinstein's amendment, agriculture is part of this bigger bill. Provisions for Ag Jobs are more favorable than provisions in the broader bill. We are concerned with "one-size fits all" approach; we want a program that works specifically for agriculture. Senate Majority Leader Bill Fritz has indicated his strong desire and intent to have this bill on the Senate floor before Memorial Day. The challenge will be fending off hostile amendments, holding together as a coalition, and keeping the provision alive.

It is respectfully requested that the Board consider moving forward a recommendation that the Secretary of Agriculture and Governor Schwarzenegger get behind this legislation and support based on the agricultural needs of California and the maturity of this proposal, and the breath of the by-partisan coalition.

Giev Kashkooli thanked the Board for the opportunity to speak on the immigration issue and saluted Craig and Luawanna for their leadership. This bill (Ag Jobs) was a tough compromise based on a sincere interest to do the best thing for agriculture and is based on real, profitable, practical, and political pragmatisms.

Giev echoed Craig's request that the Board recommend that the Secretary and Governor support this bill.

Agricultural workforce is very unstable and very basic workers are not making enough money. The agricultural industry has been very courageous by admitting that the majority of workers are undocumented. The death rate has increased significantly over the last ten years with over 4,000 deaths of immigrants trying to cross the border. In California alone, the consequences are deeper when we have huge numbers of people living in the shadows of society. In August 2004 through August 2005, 6 farm workers died because of the heat.

Ag Jobs will take workers out of the shadows and allow these workers to earn legalization. By allowing more workers to come in, we are securing the borders by knowing who is here. There are a lot of people who don't want to see this happen but this is a minority. There are a few senators and a few house members who don't want to see this happen. Last April, there was an opportunity where two theories were tested, (1) the Senator Craig/Senator Kennedy Ag Jobs approach and (2) the Senator Chambliss approach, which has no worker protection, received a vote of 21 out of the 100; and Ag Jobs received over 50 percent of senate votes. It is critical to show a united front, the Governor has clearly stated that the wall and deportation is ludicrous and workers should be allowed to earn citizenship. The Governor has tremendous influence and can really push for this bill.

Motion:

Board Member Marvin Meyers moved to give Craig Regulbrugge and Luawanna Hallstrom authority to draft a letter on behalf of the Board articulating the Board's

support of the Ag Jobs Bill. The motion was seconded by Board Member Bill Moncovich and a unanimous vote carried the motion.

(9) EXOTIC PEST COMMITTEE UPDATE

There was no update for this meeting.

(10) COMMENTS FROM THE PUBLIC

Jasper Hempel of Western Growers commended Board Member Luawanna Hallstrom, Craig Regulbrugge, and Dr. Holt for their tremendous work that has been extremely helpful.

Jack King of the CA Farm Bureau, recognized this whole battle on Ag Jobs and immigration reform has been a marathon and it will be interesting to see how this all comes together in the next few months. We realize the challenge we face in the polarization and politics of this matter so the work is cut out for us to push this over the top and getting members of congress both in California and other states to be with us on this. It is essential to make the public and congress understand that we have to address this issue.

(11) CLOSING COMMENTS AND ADJOURNMENT

Board Member Luawanna Hallstrom personally thanked each one of the speakers and commended each of them for taking the time to be here and participate. She also thanked the Board members for giving them this opportunity.

President Montna thanked all Board members, staff, as well as the staff of the Del Mar Fairgrounds for the tremendous effort and outstanding organization to put this program of immigration and the site tours together.

With no further business before the Board, the meeting was adjourned at approximately 12:30 pm.